REMARKS

The Office Action dated August 12, 2002 has been received and carefully studied. Claims 20, 21, and 35 have been canceled and new claims 37-39 have been added. Claims 1-19, 23-34 and 36-39 are in the application. Reconsideration is respectfully requested.

Introduction

The present invention is directed to methods and systems for providing risk management in connection with on-line sale transactions that involve foreign currency but for which the currency exchange is not the primary purpose of transaction. In particular, The transactions which are the focus of the present invention are for non-currency goods and/or services. However, when parties to the transaction operate using different currencies, the completion of the transaction may require a currency exchange, such as from the buyer's currency to the seller's currency.

The present invention facilitates transactions for goods or services between parties using different currencies by providing those parties with access to a foreign exchange price that is fixed at least long enough for the parties to consummate a transaction at a fixed price. As a result, the risk to the parties of the transaction flowing from foreign exchange factors is reduced and the foreign exchange component of the sale can be essentially transparent to the parties. In one embodiment of the invention, a currency exchange server provides a foreign exchange price to at least one of the parties, either the seller or, in the case of a solicitation for bids, the buyer. The rate is guaranteed to be fixed for a specified period of time. The parties are then responsible for consummating the transaction (presumably in reliance on the guaranteed rate), after which the amount of the transaction is sent to the currency exchange server which then arranges for an appropriate foreign exchange.

According to a second aspect of the invention, an electronic auction system is provided to which multiple parties, each of which may be operating in a different currency, submit bids in their own currency. The currency exchange system automatically converts the bids into different currencies so that,

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for example, each bidder can see all of the bids in their own currency. As a result, the parties to the

transaction do not need to perform their own foreign exchange conversions to compare bids made in

multiple currencies.

Claim Amendments

The claims have been amended to clarify that the transactions at issue are not currency exchange

transactions, but instead are transactions for goods or services but which also have a currency exchange

component in that at least two parties to the transaction operate using different currencies. The claims

have also been amended to clarify that an exchange price is guaranteed for a period of time. The claims

have also been amended to improve their form. These amendments are fully supported by the

specification and no new matter has been added.

Rejections under § 101 and § 112, ¶2:

Claims 20, 21, and 35 stand rejected under 35 U.S.C. § 101 on the grounds that the recited

computer signal is non-statutory subject matter. These claims have also been rejected under 35 U.S.C.

§ 112, ¶2 on the grounds that the preamble is unclear as to whether a data signal or a method is recited in

the claim. To simplify the issues presently before the Examiner, these claims have been canceled.

Rejections under § 103:

Claims 1-12, 15-21, and 23-36 stand rejected under 35 U.S.C. § 103(a) as being obvious over the

Boesch '621 patent (cited as a secondary reference in the first Office Action), in view of newly relied on

U.S. Patent No. 5,969,974 to Vandenbelt et al. The Examiner contends that the Boesch patent discloses

each and every element recited in these claims except for the concept of performing a foreign currency

exchange. Vandenbelt discloses a handheld currency converter calculator. The Examiner contends that it

would have been obvious to modify the system of Boesch to perform currency calculations as in

Vandenbelt. Applicants respectfully disagree that the combination proposed by the Examiner, even if proper, would result in the inventions as recited in the claims.

Boesch discloses a system in which a transaction can be made by parties using different currencies. Boesch teaches to provide a server connected to both the buyer and seller. The server receives an asked amount from the seller in a first currency and an offered amount from the buyer in a second currency. Based on the exchange rate and some risk evaluation, the server itself approves the transaction if the stated prices are within its range of risk associated with the foreign exchange prices known to the server. (See, Boesch '621, Col. 3, lines 3-17). Because the server evaluates the difference between the asked and offered amounts and approves the transaction, the parties to the transaction do not need to know the actual exchange rate used. Even if the parties to the transaction estimate foreign currency exchange prices in order to ensure that the asked and offered prices are reasonably close to each other, and likely to be approved by the server, there is still uncertainty since each party could use a different estimated exchange price and the exchange rates could fluctuate during the time between the estimates and when the information is provided to the Boesch server.

In contrast, the invention recited in independent claim 1 is directed to a method in which an exchange price that is fixed for a predetermined period of time is entered into a computer. If data describing a transaction that involves the foreign currency is received and the transaction occurred within the guaranteed time period, the currency is exchanged at the exchange price. Unlike Boesch, the parties to a transaction involving multiple currencies, not the computer, determine whether to complete the transaction at an appropriate amount (such determination being simplified by knowledge of the guaranteed exchange rate). The computer receives notice of the consummated transaction, not a prospective transaction awaiting approval by a third party.

Moreover, because the decision on whether to approve the transaction in Boesch is not made by the parties to the transaction, but instead by the server based on its own internal risk calculations, there is also no incentive to modify the system of Boesch to provide a guaranteed fixed exchange rate since this information would be of no use to the parties. These deficiencies are not cured by the system of

Vandenbelt, which simply discloses a hand-held calculator that has been customized to simplify currency conversions by a user.

Because neither Boesh nor Vandenbelt disclose the features recited in claim 1, applicants submit that the rejection of claim 1 as being obvious over Boesh in view of Vandenbelt has been traversed should be withdrawn. Claims 1-12 and 15-16 depend from claim 1 and should be allowed for at least the same reasons as claim 1.

Similar to claim 1, independent claim 17 recites a computer system that receives an exchange price that is fixed for a period of time, data related to a consummated transaction that occurred within the time period, and then calculates a currency exchange according to the entered price and received data descriptive of the transaction. Claims 18 and 19 recites limitations similar to those in claim 1 but from somewhat different perspectives. Applicants submit that the rejection of these claims as being obvious over Boesh in view of Vandenbelt is also improper for the same reasons as discussed with respect to claim 1 and should be withdrawn.

Independent claim 36 is also similar to claim 1 but is directed more generally to providing guaranteed prices for a commodity, as opposed to a guaranteed currency exchange price. Neither Boesch nor Vandenbelt disclose a method wherein a commodity price that is guaranteed for a predetermined period of time is entered into a computer and this price used in connection with a transaction consummated within that time period. Accordingly, the rejection of claim 36 has been traversed should be withdrawn.

Claims 13-14 stand rejected as being obvious over Boesch in view of Vandenbelt and further in view of U.S. Patent No. 5,963,923 to Garber. The Garber patent is directed to aspects of a foreign exchange trading system. The particular focus of the patent is on linking a program which generates rolling spot currency contracts with a market maker program used for foreign exchange trading. The Examiner has cited the Garber patent as teaching spot price considerations and contends that it would have been obvious to include this in the system of Vandenbelt as modified by Boesch. Applicants respectfully disagree

The Garber patent is concerned with the actual mechanics of a foreign exchange transaction in a foreign exchange market. Garber does not cure the deficiency of Boesch and Vandenbelt discussed above with respect to independent claim 1. Claims 13 and 14 depend from claim 1 and therefore distinguish over these three references for at least the same reasons as claim 1. The rejection of these claims has therefore been traversed and should be withdrawn.

A second aspect of the invention, recited in various forms in independent claims 23, 32, and 34 is an electronic on-line transaction or auction system in which multiple parties, each of which may be operating in a different currency, submit bids in their own currency. The currency exchange system automatically converts the bids into different currencies so that, for example, each bidder can see all of the bids in their own currency. More particularly, claim 23 recites a method wherein a need, such as that of a buyer, is entered into a transaction forum along with a price specified in a currency other than a base currency. The received information is then displayed, such as for prospective sellers, in the base currency. Similarly, claims 32 and 34 recite computer server, and computer program respectively, that creates a transaction forum for bid requests and displays subsequent bids made in one currency in a base currency. The Boesch patent simply discloses nothing related to a transaction or auction system of this type. Thus, even if Boesch were modified to include a foreign exchange calculations, as in Vandenbelt, it would still not disclose the invention recite in claims 23, 32, and 34. Accordingly, the rejection of these claims, as well as of dependent claims 24-31 has been traversed and should be withdrawn.

New claims 37-39:

The application has been amended to include new claim 37-39. These claims are fully supported by the specification and no new matter has been added. As discussed below, these claims also distinguish over the prior art applied by the Examiner to the prior claims.

Claims 37 depends from independent claim 19 and recites that multiple exchange prices can be provided, each applying to transactions within a particular range. When the exchange component of a consummated transaction is to be performed, the rate applied is that which is appropriate for the amount

of the transaction. This concept is not disclosed in Boesch or Vandenbelt. Accordingly, claim 37 is allowable over the cited art for this reason as well as those discussed with respect to claim 19.

Claims 37 and 38 recite a computer-implemented method for providing risk management for online transactions, where the parties are operating in different currencies so that the transaction will involve foreign exchange. The claim specifies that the exchange price, which is fixed for a period of time, is provided to one or more parties to a proposed transaction involving foreign exchange. The parties can consummate the transaction independently of the computer. Information about the transaction is then provided to the system and an appropriate foreign currency exchange is arranged at the specified exchange rate provided that the transaction was consummated within the specified time period.
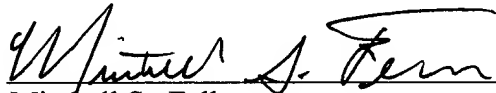
As discussed with respect to claim 1, neither Boesch, Vandenbelt, nor Garber disclose the features recited in claims 37 and 38. Accordingly, applicants submit that these claims are also allowable over the cited prior art for at least the same reasons.

CONCLUSION

Each and every issue raised by the Examiner has been addressed by the above amendments and

remarks. The application is believed to be in condition for allowance and action to that end is respectfully

requested. However, should the Examiner believe that direct contact with the Applicants' representative

would advance the progress of the application, the Examiner is invited to contact the undersigned at the
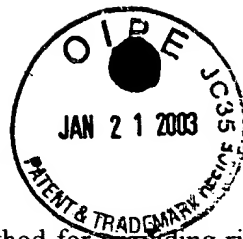
number below.

Respectfully submitted,

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CLAIM MARKUP SHOWING AMENDMENT'S MADE

1.   (Amended) A computer-implemented method for providing risk management for online transactions for goods or services, each transaction involving at least two parties operating using different currencies, the method comprising the steps of:

entering an exchange price for a foreign currency into a computer as the foreign currency relates to a base currency, the exchange price being fixed for a predetermined time period;

receiving data descriptive of [a] a consummated transaction involving the foreign currency, wherein the transaction occurred within the [a] predetermined time period; and

exchanging currency according to the entered price and received data descriptive of the transaction at the exchange price.

2.   The method of claim 1 additionally comprising the step of determining a risk exposure for the predetermined time period, wherein the risk exposure is based upon an aggregate amount of currency involved in transactions during the predetermined time period.

3.   The method of claim 2 wherein the risk exposure is additionally based upon market data.

4.   (Twice Amended) The method of claim 1 additionally comprising the steps of capturing each transaction amount that relates to a sale occurring on an e-commerce site and automatically exchanging currency at a price entered for a local currency.

5.   The method of claim 1 wherein the transaction is a retail transaction between a business and a retail customer.

6.   (Amended) The method of claim 1 additionally comprising the steps of receiving bids in an online auction and posting online each bid in a local currency and a seller's currency.

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7. The method of claim 1 wherein the transaction is a business to business transaction.

8. The method of claim 1 wherein the transaction is an online sales transaction consummated over a computerized communications network.

9. (Twice Amended) The method of claim 1 additionally comprising the step of obtaining a spot price from a market at the time of the transaction.

10. (Amended) The method of claim 1 additionally comprising the steps of calculating an expected average amount of base and foreign currency to exchange and entering a forward contract to the end of predetermined time period to buy a base currency and sell a foreign currency for a quantity equal to the expected average amount.

11. (Amended) The method of claim 1 additionally comprising the steps of aggregating transaction amounts relating to multiple transactions and exchanging currency according to the entered price in an amount equal to the aggregate amount.

12. (Amended) The method of claim 11 additionally comprising the step of limiting the size of the aggregate amount to be transacted during the predetermined time period.

13. (Amended) The method of claim 1 additionally comprising the steps of limiting a change in spot price of the foreign currency and changing the exchange price if the change in spot price exceeds the limit.

14. (Amended) The method of claim 11 additionally comprising <u>the steps of</u> setting aside an amount which will not be exchanged from the foreign currency to the base currency and exchanging an amount equal to the aggregate amount minus the amount set aside.

15. The method of claim 1 wherein the transaction occurs within a brick and mortar retail setting.

16. The method of claim 1 wherein the transaction occurs within a brick and mortar financial institutional setting.

17. (Amended) A computer communications system for providing risk management to online transactions <u>for goods or services, each transaction involving at least two parties operating using different currencies</u>, the system comprising:

a computer communications server accessible with a network access device via a communications network; and

executable software stored on the server and executable on demand via the network access device, the software operative with the server to:

receive an exchange price for a foreign currency into a host computer as the foreign currency relates to a base currency<u>, the exchange price being fixed for a predetermined time period</u>;

receive data descriptive of a <u>consummated</u> transaction involving the foreign currency, wherein the transaction occurred within [a] <u>the</u> predetermined time period; and

calculate a currency exchange according to the entered price and received data descriptive of the transaction.

18. (Amended) Computer executable program code residing on a computer-readable medium, the program code comprising instructions for causing the computer to:

calculate a currency price, the price being fixed for a predetermined time period;

receive data relating to [an] a consummated online transaction within the predetermined time period and involving the exchange of a currency amount; and

exchange an amount of currency corresponding to the amount of the transaction at a rate equal to the fixed [predetermined] currency price.

19.   (Amended)   A method of providing risk management for online transactions for goods or services, each transaction involving at least two parties operating using different currencies, the method comprising the steps of:

[determining an] receiving at least one exchange price for a foreign currency [;], the exchange price being guaranteed for [determining] a specified time period [for which the exchange price will be applied];

completing a transaction within the determined time period, the transaction involving a particular amount of [involving] the foreign currency;

transmitting details of the transaction to a currency exchange computer; and

receiving an exchange of the amount foreign currency at the exchange price [determined for an amount relating to the transaction completed].

20.   CANCELED

21.   CANCELED.

NO CLAIM 22

23.   (Amended) A computer-implemented method for providing risk management for online transactions for goods or services, each transaction involving at least two parties operating using different currencies, the method comprising the steps of:

entering a need into a transaction forum;

specifying a base currency;

receiving information descriptive of [a] the need, wherein the information includes a price denominated in a currency other than the base currency; and

displaying the information received denominated in the base currency.

24.   The method of claim 23 additionally comprising the steps of:

transmitting the information received to a currency exchange system;

calculating a re-denomination of currency from the information received into the base currency, wherein the calculation is accomplished at the currency exchange system; and

transmitting the re-denomination to an originator of the need.

25.   The method of claim 23 additionally comprising the steps of:

completing a transaction relating to the need and the information received; and

exchanging currency in an amount related to the transaction.

26.   (Amended)   The method of claim 23 additionally comprising the steps of automatically capturing a transaction amount for each transaction transpiring during a specified time period and automatically exchanging currency at a predetermined price for any currency other than the base currency that is utilized to consummate a transaction during the specified time period.

27.   The method of claim 23 additionally comprising the steps of:

transmitting the information received to a currency exchange system;

calculating a re-denomination of currency from the information received into the base currency, wherein the calculation is accomplished at the currency exchange system;

completing a transaction relating to the need and the information received;

exchanging currency in an amount related to the transaction; and

calculating a risk exposure based upon an aggregate of transaction amounts exchanged.

28.   (Amended)   The method of claim 23 additionally comprising the step of completing a business to business supply order transaction based upon the information.

29.   (Twice Amended) The method of claim 23 additionally comprising the steps of receiving bids in an online auction and posting online each bid in a local currency and a seller's currency.

30.   The method of claim 23 wherein the transaction is a business to business transaction.

31.   The method of claim 23 wherein the transaction is an online sales transaction consummated over a computerized communications network.

32.   (Amended) A computer system for providing risk management to online transactions for goods or services, each transaction involving at least two parties operating using different currencies, the system comprising:

a computer communications server accessible with a network access device via a computer communications network; and

executable software stored on the server and executable on demand via the network access device, the software operative with the server to:

create a transaction forum;

present a request for bids on the transaction forum;

receive data descriptive of a transaction into the forum <u>and including a bid price denominated in</u> <u>other than a base currency</u>; and

calculate a currency exchange according to <u>the</u> [an] entered price and the received data<u>; and</u>

<u>display a bid price denominated in the base currency.</u>

33. The computer system of claim 32 additionally comprising a delivery medium for communicating details of a transaction to a currency exchange institution.

34. (Amended) Computer executable program code residing on a computer-readable medium, the program code comprising instructions for causing the computer to:

create a transaction forum <u>for goods or services, at least some transactions involving at least two</u> <u>parties operating using different currencies</u>;

present a request for bids on the transaction forum;

receive data descriptive of a transaction into the forum, wherein the data includes a bid price denominated in other than a base currency;

calculate a currency exchange according to the received data; and

display a bid price denominated in the base currency.

35. CANCELED

36. (Amended) A computer-implemented method for providing risk management for <u>non-</u> <u>currency</u> commodity transactions, the method comprising:

entering a price for a commodity into a computer;

entering a predetermined time period for which the price of the commodity is guaranteed;

receiving data descriptive of a transaction involving the commodity, wherein the transaction occurred within a predetermined time period; and

consummating the transaction at the price entered.

--37.   The method of claim 19, wherein a plurality of exchange prices are provided, each price being associated with a respective range of transaction amounts and wherein the exchange price of the receiving an exchange step is the exchange price associated with a range of transaction amounts that includes the particular amount of foreign currency of the transaction.--

--38.   A computer-implemented method for providing risk management for online transactions for goods or services, each transaction involving at least two parties operating using different currencies, the method comprising the steps of:

determining an exchange rate for a foreign currency to a base currency, the exchange rate being guaranteed to be fixed for a specified time period;

entering the exchange rate into an exchange server;

providing the exchange rate to at least one party to a prospective transaction having at least a first party operating in the foreign currency and a second party operating in the base currency; and

guaranteeing an exchange comprising the foreign currency and the base currency according to at least one amount of at least one transaction consummated within the specified time period.--

--39.   The method of claim 38, further comprising the steps of

receiving at the currency exchange server a transaction amount after the prospective transaction has been consummated by the parties; and

the currency exchange server arranging for an exchange comprising the foreign currency and the base currency according to the transaction amount and the provided exchange rate.--